

PART 32

☞ Contracting officers may execute service contracts (or an order under a task order contract or an option) for a period of performance that begins in one fiscal year and ends in the following fiscal year — with the contract entirely funded out of the first year’s appropriations. This new authority will simplify the acquisition and administration of service contracts by allowing single, fully funded contract actions, in lieu of multiple contracts or complex obligation arrangements. However, the period of performance for the contract, order, or option so funded may not exceed twelve months.

Using this authority, for example, a contracting officer could write a contract for performance beginning on July 1, 1999 and ending on June 31, 2000 — and fund all work under the contract out of a fiscal year 1999 appropriation.

This new authority does not apply to the Department of Defense (DoD), United States Coast Guard, and the National Aeronautics and Space Administration (but see their FAR supplements for similar authorities). [§32.703-3 and 37.106, FAC 90-30, Case 94-766]

32.703-3 Contracts crossing fiscal years.

FAR as of FAC 90-25

A contract that is funded by annual appropriations may not cross fiscal years, except in accordance with statutory authorization (see 41 U.S.C. 11a, 31 U.S.C. 1308, and 42 U.S.C. 2459a), or when the contract calls for an end product that cannot feasibly be subdivided for separate performance in each fiscal year (e.g., contracts for expert or consultant services).

FAR as revised

(a) A contract that is funded by annual appropriations may not cross fiscal years, except in accordance with statutory authorization (see 41 U.S.C. 11a, 31 U.S.C. 1308, 42 U.S.C. 2459a and 41 U.S.C. 253I (see paragraph (b) of this section)), or when the contract calls for an end product that cannot feasibly be subdivided for separate performance in each fiscal year (e.g., contracts for expert or consultant services).

(b) **41 U.S.C. 253I, as amended by Section 1073 of the Federal Acquisition Streamlining Act of 1994 (Pub. L. 103-355), authorizes heads of executive agencies other than the Department of Defense, United States Coast Guard, and the National Aeronautics and Space Administration (41 U.S.C. 252(a)(1)), to enter into a basic contract, options, or orders under that contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if the period of the basic contract, options or orders under that contract does not exceed one year each. Funds made available for a fiscal year may**

be obligated for the total amount of an action entered into under this authority (see 37.106(b)). Consult agency supplements for similar authorities that may exist for the Department of Defense, United States Coast Guard, or the National Aeronautics and Space Administration.